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Canada. Commission of Inquiry
into the Increases in Rates of
Pay for Civil Servants in
Group D
Interim report

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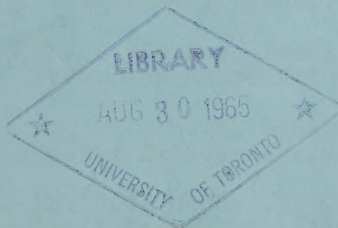
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INTERIM REPORT OF
COMMISSION OF INQUIRY
INTO THE INCREASES IN RATES OF PAY
FOR CIVIL SERVANTS IN
GROUP D

ORDER IN COUNCIL DATED 23 JULY, 1965, P.C. 1965-1350





1604029

TO HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL

MAY IT PLEASE YOUR EXCELLENCY,

As the Commissioner appointed by Order in Council dated July 23, 1965, P.C. 1965-1350, to inquire into the increases in rates of pay for civil servants in Group D announced by the Government on July 16, 1965, including examination of all considerations which in my view appear to be relevant in determining whether the increases so granted and the rates of pay so established are fair and reasonable, I now beg leave to report thereon.

Following my appointment, I asked the following parties who are interested in this dispute to file with me written representations in connection therewith:

Mr. J.C. Best, National President,
Civil Service Association of Canada.

Mr. Claude Edwards, President,
Civil Service Federation of Canada.

Mr. Joseph Belland, Chairman,
Postal Workers Brotherhood.

Mr. C.J. Tobin, President,
Railway Mail Clerks.

Mr. J. Cooper, President,
Federated Association of Letter Carriers.

Mr. W.L. Hood, President,
Postal Employees Association.

Mr. R.G. MacNeill, Chairman,
Civil Service Commission.

I have received written briefs from all of the said organizations set out above.

In addition thereto, I have interviewed personally representatives of most of the interested organizations and groups.

Arising out of the exigencies of the situation with respect to the postal workers particularly, this is limited to an interim report and deals only with that part of the inquiry affecting the rates of pay and increases for the postal workers group. But I am not unmindful of the fact that this report is an interim report and that the inquiry which the Order in Council asked me to report upon includes all classes in what is known as Group D. Group D is largely made up of postal workers, Customs and Immigration classes, certain technicians, draftsmen, and certain semi-skilled workers and tradesmen, together with foremen and supervisors. Such changes in salary increases as are recommended for the 22,000-odd employees in the postal classes may or may not have an effect upon my recommendations as to the appropriate rates of pay for the remaining 35,000-odd employees in Group D.

I am of the view that the increases with which the postal workers so strongly disagreed did conform, within normal tolerances, with available patterns of increase outside the civil service when adjusted to maintain a proper relationship in the pay structure of the various classes within the

civil service; keeping in mind that the Commission was expected to conform with statements of public policy in relation to rate determination.

That is not necessarily the same thing as saying that the resulting salary levels after the increases recommended by the Civil Service Commission and adopted by the Treasury Board are now equally reasonable.

The reasonableness of the resulting increases depends, among other things, upon whether the base salary to which the increases were applied was correct. This is an area which should remain open for more exhaustive study than is available under the present time limits, but enough is known to say that there are some indications that at least in certain instances base salaries may be too low.

Under the present biennial cyclical review programme the effective date of the pay increases coincides with the date of issue of the supporting statistics by the Department of Labour.

Since these statistics were in the process of collection for some months prior to their issue it is inevitable that the increases based on them fall somewhat behind the existing pattern elsewhere. It follows then, that, at the conclusion of the two-year period, salaries will be more than two years in arrears in relation to the pattern of increases prevailing in industry.

Under existing circumstances and in view of the continuing and apparently accelerating rate of increase in salaries and wages, I am satisfied that this lag is excessive and creates an unrealistic situation. For this reason I propose that the effects of the lag be tempered by the introduction of an additional increase for all classes in the postal service effective August 1, 1965.

I do not thereby intend to imply that the anniversary date should be changed to August 1st. I have chosen that date solely as reflecting my judgment of the current situation.

Apart from the above it is a fact that it is difficult, if not impossible, to issue the results of the analysis of statistics until about nine months after the effective date of October 1st. While it is true that the increases are made retroactive to October 1st, there is no doubt that the delay in issuing them adds an element of uncertainty for the better part of a year.

In an era of a dynamic economy when wage rates are changing rapidly, it would seem to be of the utmost importance to reduce the time lag involved here and explained above by introducing an annual rather than a biennial increase.

There are sufficient statistical data indicating a real trend towards substantial increases in wages during the past year. It can readily be realized that the institution of

proper annual increases involves projecting the trend of increases well beyond a year forward from the review date, which approach is not apparent in the Civil Service Commission's recommendations.

I therefore recommend that yearly rates in the various classes of the postal service and in the various ranges of those classes should, effective August 1, 1965, (over and above the increases granted by the Order in Council) and over and above the \$60 increases recommended retroactive to October 1, 1964, be increased and established as shown on the tabular statement hereto attached which forms an integral part of my recommendations.

In summary form, the above recommendation would add to the increases approved by the Government on July 16, 1965, and recommended increases of \$60 for certain classes retroactive to October 1, 1964, additional increases effective August 1, 1965, which will range from \$150 to \$190. The total increase beginning August 1, 1965, will range from \$510 to \$550 per employee per year.

The recommendations for pay increases above set out are designed to deal with the most immediate and the most pressing problems relating to the wage structure of postal workers. There are other problems which I intend to point up in a subsequent report but which time does not permit me to deal with now. Among these are matters arising out of administration, pressure of

prevailing rates on the national wage structure, difficulty of recruiting and retaining satisfactory personnel, and the frequency and application of overtime.

Recommendations as to salary increases in
the postal service to restore parity in
certain classes

For upwards of ten years Postal Clerks 1, Letter Carriers and Postal Clerks 2 have received the same general increases in money terms at two-year intervals (more or less). This has come to be known as parity or the principle of across the board increases. This principle is valid only for a limited time and in circumstances when its application is made at a time when there is a fairly broad spread between the classes included in the parity principle at the time of its application.

Continuous across the board increases applied to a range of different salaries for any extensive period of time obviously tend to destroy the proper ratios of pay between jobs by bringing the top salaries closer and closer to the bottom salaries and the bottom salaries closer and closer to the top salaries. When this practice has a destructive influence upon the proper ratios between jobs, then a re-adjustment must be made by giving different absolute increases to restore a proper ratio between jobs. This was in all likelihood the intention of the Civil Service Commission in this case and, based on material available, there may have been some justification for doing so.

Established patterns over a long period of time of the continuous application of across the board increases tend to establish a principle of "squatters' rights". In other words, such patterns tend to be regarded as generally accepted conditions of employment.

In view of this and on the basis of the material I have reviewed, I am not wholly satisfied that there is a case at this time which would demonstrate the necessity of restoring proper ratios between classes if in so doing it has to override the generally accepted condition of employment, i.e., the squatters' rights approach.

Obviously, in the area of salary administration if increases are going to be changed from an across the board basis which has been enjoyed for a number of years to that of different absolute increases the ground work should be carefully prepared for such change or serious difficulties will arise in the area of salary administration which may be much more detrimental in the long run than the indicated requirement of changing the pattern of across the board increases into one of absolute increases. Especially is this so in the lower paid categories who submit with much force that an increase at least equal in absolute terms to that paid in other higher classes is necessary to maintain a decent standard of living. For these reasons I recommend that the increases effective October 1, 1964, as applied to the Letter Carriers, Postal Clerks 1, and Mail Handlers be the same as that given to Postal Clerks 2

under the Order in Council, thus restoring parity between these two classes. In the light of total circumstances I have concluded that the Mail Handlers should be accorded the same treatment in this respect as Postal Clerks 1 and Letter Carriers.

This means that I now recommend that a \$60 a year increase be granted for Letter Carriers, Postal Clerks 1 and Mail Handlers, retroactive to October 1, 1964.

In preparing this interim report I am greatly indebted to Mr. Ralph Presgrave of the School of Business, University of Toronto, and to Mr. Bert Gargrave, labour consultant, as well as to Mr. Paul Roddick who has acted as Secretary, and the competent secretarial help that I have had.

I wish to express my thanks to the Brotherhood of Postal Workers and its constituent organizations who not only have expressed confidence in me as Commissioner by endorsing my appointment, but have acted responsibly since my appointment in the interest of their members and of the public at large. This action on the part of the Brotherhood has been strongly supported by senior representatives of the Canadian Labour Congress, who have at the same time stressed the importance of filing my report at the earliest possible moment.

Because of time limits I have limited my interim report to bare essentials.

In my full report I propose to elaborate on the reasons for making the recommendations related to salary increases set forth above and likewise I shall report upon the fairness and reasonableness of the pay increases granted by Order in Council to all other classes in Group D.

I remain,

Your obedient servant,

(Signed)

J. C. Anderson,
Commissioner.

Dated at Ottawa, Ontario,
this 4th day of August, 1965.

Attached hereto is a tabular statement which forms part of the Commissioner's report and is referred to on page 5 of the said report.

MAIL HANDLER (Number of employees 1427 of which 881 at maximum)

Rates effective October 1, 1962	3210	3360	3510	3660	3810	3960	Taux en vigueur le 1er octobre 1962
Increase October 1, 1964	300	300	300	300	300	300	Augmentation en vigueur le 1er octobre 1964
Rates effective October 1, 1964	3510	3660	3810	3960	4110	4260	Taux en vigueur le 1er octobre 1964
Recommended increase October 1, 1964	60	60	60	60	60	60	Augmentation recommandée le 1er octobre 1964
Recommended rates October 1, 1964	3570	3720	3870	4020	4170	4320	Taux recommandés le 1er octobre 1964
Recommended increase effective August 1, 1965	150	150	150	150	150	150	Augmentation recommandée en vigueur le 1er août 1965
Recommended rates effective August 1, 1965	3720	3870	4020	4170	4320	4470	Taux recommandés en vigueur le 1er août 1965
Total increase September 1964 - August 1965	510	510	510	510	510	510	Augmentation totale septembre 1964 - août 1965

POSTAL CLERK 1 (Number of employees 637 of which 236 at maximum)

Rates effective October 1, 1962	3330	3480	3630	3780	3930	4080	4230	4380	Taux en vigueur le 1er octobre 1962
Increase October 1, 1964	300	300	300	300	300	300	300	300	Augmentation en vigueur le 1er octobre 1964
Rates effective October 1, 1964	3630	3780	3930	4080	4230	4380	4530	4680	Taux en vigueur le 1er octobre 1964
Recommended increase October 1, 1964	60	60	60	60	60	60	60	60	Augmentation recommandée le 1er octobre 1964
Recommended rates October 1, 1964	3690	3840	3990	4140	4290	4440	4590	4740	Taux recommandés le 1er octobre 1964
Recommended increase effective August 1, 1965	165	165	165	165	165	165	165	165	Augmentation recommandée en vigueur le 1er août 1965
Recommended rates effective August 1, 1965	3855	4005	4155	4305	4455	4605	4755	4905	Taux recommandés en vigueur le 1er août 1965
Total increase September 1964 - August 1965	525	525	525	525	525	525	525	525	Augmentation totale septembre 1964 - août 1965

J. Anderson

MAILMAN DE DEPECHEES (Nombre d'employés 1427 dont 881 ont atteint le traitement maximum)

COLLIS DES POSTES 1 (Nombre d'employés 637 dont 236 ont atteint le traitement maximum)

LETTER CARRIER (Number of employees 6726 of which
3833 at maximum)
POSTAL CHAUFFEUR (Number of employees 35 of which
25 at maximum)

Rates effective October 1, 1962 3630 3780 3930 4080 4230 4380
Increase October 1, 1964 300 300 300 300 300 300
Rates effective October 1, 1964 3930 4080 4230 4380 4530 4680
Recommended increase October 1, 1964 60 60 60 60 60 60
Recommended rates October 1, 1964 3990 4140 4290 4440 4590 4740
Recommended increase effective
August 1, 1965 165 165 165 165 165 165
Recommended rates effective
August 1, 1965 4155 4305 4455 4605 4755 4905

Total increase
September 1964 - August 1965 525 525 525 525 525 525

SUPERVISORY MAIL HANDLER (Number of employees 10 of which
6 at maximum)

Rates effective October 1, 1962 4410 4560
Increase October 1, 1964 300 300
Rates effective October 1, 1964 4710 4860
Recommended increase October 1, 1964 60 60
Recommended rates October 1, 1964 4770 4920
Recommended increase effective
August 1, 1965 170 170
Recommended rates effective
August 1, 1965 4940 5090

Total increase
September 1964 - August 1965 550 530

FACTEUR (Nombre d'employés 6726 dont
3833 ont atteint le traitement maximum)
CHAUFFEUR DES POSTES (Nombre d'employés 35 dont
25 ont atteint le traitement maximum)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée le 1er octobre 1964
Taux recommandés le 1er octobre 1964

Augmentation recommandée en vigueur le 1er août 1965

Taux recommandés en vigueur le 1er août 1965

Augmentation totale
septembre 1964 - août 1965

MANIEUR DE DEPECES SURVEILLANT (Nombre d'employés 10 dont
6 ont atteint le traitement maximum)

Taux en vigueur le 1er octobre 1964
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée le 1er octobre 1964
Taux recommandés le 1er octobre 1964

Augmentation recommandée en vigueur le 1er août 1965

Taux recommandés en vigueur le 1er août 1965

Augmentation totale
septembre 1964 - août 1965

J. P. Anderson

POSTAL CLERK 2 (Number of employees 8164 of which 4475 at maximum)

Rates effective October 1, 1962 3650 3780 3930 4080 4230 4380 4530 4680
 Increase October 1, 1964 360 360 360 360 360 360 360 360
 Rates effective October 1, 1964 3990 4140 4290 4440 4590 4740 4890 5040
 Recommended increase effective August 1, 1965 175 175 175 175 175 175 175 175
 Recommended rates effective August 1, 1965 4165 4315 4465 4615 4765 4915 5065 5215
 Total increase 535 535 535 535 535 535 535 535
 September 1964 - August 1965

COMMITES DES POSTES 2 (Nombre d'employés 8164 dont 4475 ont atteint le traitement maximum)

Taux en vigueur le 1er octobre 1962
 Augmentation en vigueur le 1er octobre 1964
 Taux en vigueur le 1er octobre 1964
 Augmentation recommandée en vigueur le 1er août 1965
 Taux recommandés en vigueur le 1er août 1965
 Augmentation totale septembre 1964 - août 1965

SUPERVISORY LETTER CARRIER (Number of employees 2286 of which 1699 at maximum)

Rates effective October 1, 1962 4560 4710 4860
 Increase October 1, 1964 300 300 300
 Rates effective October 1, 1964 4860 5010 5160
 Recommended increase October 1, 1964 60 60 60
 Recommended rates October 1, 1964 4920 5070 5220
 Recommended increase effective August 1, 1965 180 180 180
 Recommended rates effective August 1, 1965 5100 5250 5400
 Total increase 540 540 540
 September 1964 - August 1965

FACTEUR SURVEILLANT (Nombre d'employés 2286 dont 1699 ont atteint le traitement maximum)

Taux en vigueur le 1er octobre 1962
 Augmentation en vigueur le 1er octobre 1964
 Taux en vigueur le 1er octobre 1964
 Augmentation recommandés le 1er octobre 1964
 Taux recommandés le 1er octobre 1964
 Augmentation recommandée en vigueur le 1er août 1965
 Taux recommandés en vigueur le 1er août 1965
 Augmentation totale septembre 1964 - août 1965

J. Anderson

MAIL DESPATCHER (Number of employees 517 of which
245 at maximum)
RAILWAY MAIL CLERK 1 (Number of employees 70 of
which 42 at maximum)

Rates effective October 1, 1962	4250	4410	4560	4710	4860
Increase October 1, 1964	360	360	360	360	360
Rates effective October 1, 1964	4620	4770	4920	5070	5220
Recommended increase effective August 1, 1965	180	180	180	180	180
Recommended rates effective August 1, 1965	4800	4950	5100	5250	5400
Total increase	540	540	540	540	540
September 1964 - August 1965					

RAILWAY MAIL CLERK 2 (Number of employees 98)

Rate effective October 1, 1962	4920
Increase October 1, 1964	360
Rate effective October 1, 1964	5280
Recommended increase effective August 1, 1965	180
Recommended rate effective August 1, 1965	5460
Total increase	540
September 1964 - August 1965	

EXPEDITEUR DE DEPECHEES (Nombre d'employés 517 dont
245 ont atteint le traitement maximum)
COMMISSAIRE ENVAIANT 1 (Nombre d'employés 70 dont 42 ont atteint
le traitement maximum)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée en vigueur le 1er août 1965
Taux recommandés en vigueur le 1er août 1965
Augmentation totale
septembre 1964 - août 1965

COMMISSAIRE ENVAIANT 2 (Nombre d'employés 98)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée en vigueur le 1er août 1965
Taux recommandés en vigueur le 1er août 1965
Augmentation totale
septembre 1964 - août 1965

J. Anderson

RAILWAY MAIL CLERK 3 (Number of employees 255)

Rate effective October 1, 1962 4980
Increase October 1, 1964 360
Rate effective October 1, 1964 5340
Recommended increase effective
August 1, 1965 180
Recommended rate effective
August 1, 1965 5520

Total increase 540
September 1964 - August 1965

RAILWAY MAIL CLERK 4 (Number of employees 33)

Rate effective October 1, 1962 5040
Increase October 1, 1964 360
Rate effective October 1, 1964 5400
Recommended increase effective
August 1, 1965 185
Recommended rate effective
August 1, 1965 5585

Total increase 545
September 1964 - August 1965

RAILWAY MAIL CLERK 5 (Number of employees 103)

Rate effective October 1, 1962 5100
Increase October 1, 1964 300
Rate effective October 1, 1964 5400
Recommended increase effective
August 1, 1965 185
Recommended rate effective
August 1, 1965 5645

Total increase 545
September 1964 - August 1965

COMMISS AMBULANT 3 (Nombre d'employés 255)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée en vigueur le 1er août 1965
Taux recommandé en vigueur le 1er août 1965
Augmentation totale
septembre 1964 - août 1965

COMMISS AMBULANT 4 (Nombre d'employés 33)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée en vigueur le 1er août 1965
Taux recommandé en vigueur le 1er août 1965
Augmentation totale
septembre 1964 - août 1965

COMMISS AMBULANT 5 (Nombre d'employés 103)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée en vigueur le 1er août 1965
Taux recommandé en vigueur le 1er août 1965
Augmentation totale
septembre 1964 - août 1965

J. M. D.

POSTAL OFFICER 1 (Number of employees 1025 of which
617 at maximum)

Rates effective October 1, 1962 4740 4920 5100
Increase October 1, 1964 360 360 360
Rates effective October 1, 1964 5100 5280 5460
Recommended increase effective
August 1, 1965 185 185 185
Recommended rates effective
August 1, 1965 5285 5465 5645

Total increase
September 1964 - August 1965 545 545 545

AGENT DES POSTES 1 (Nombre d'employés 1025 dont
617 ont atteint le traitement maximum)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée en vigueur le 1er août 1965
Taux recommandés en vigueur le 1er août 1965
Augmentation totale
septembre 1964 - août 1965

POSTAL OFFICER 2 (Number of employees 512 of which
234 at maximum)

Rates effective October 1, 1962 4920 5100 5280
Increase October 1, 1964 360 360 360
Rates effective October 1, 1964 5280 5460 5640
Recommended increase effective
August 1, 1965 190 190 190
Recommended rates effective
August 1, 1965 5470 5650 5830

Total increase
September 1964 - August 1965 550 550 550

AGENT DES POSTES 2 (Nombre d'employés 512 dont
234 ont atteint le traitement maximum)

Taux en vigueur le 1er octobre 1962
Augmentation en vigueur le 1er octobre 1964
Taux en vigueur le 1er octobre 1964
Augmentation recommandée en vigueur
le 1er août 1965
Taux recommandés en vigueur le 1er août 1965
Augmentation totale
septembre 1964 - août 1965

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